

HOME PROGRAM RENTAL HOUSING DEVELOPMENT (RHD)

The HOME Investment partnership Program is a federal program developed to strengthen public-private partnerships to provide more affordable housing opportunities for low-and very-low income households.

Rental Housing Development Program is specially designed to assist affordable housing development opportunities for persons at or below 60% of County Median Income (CMI). A special set-aside is available to serve persons at or below 30% of CMI and for use in projects combining HOME and Low Income Housing Tax Credits (LIHTC).

The State Department of Commerce, Division of Housing and Community Development (DHCD) will accept applications for HOME funds in the Rental Housing Development (RHD) category from non-profit organizations, Community Housing Development Organizations (CHDOs), public housing authorities (PHAs), and local governments and for-profit developers for acquisition rehabilitation, and new construction of rental housing for low-income persons. For-profit developers may participate as co-owners with any of these entities.

HOME RHD funds are available as grants or loans. The terms and any repayment of the loan will be negotiated between DHCD and the applicant. Priority will be given to projects that present terms favorable to DHCD. For projects with units between 31% and 60% CMI the loans are deferred for three years and may be amortized for as many as 27 years. The interest rate on such non-forgivable loans is 3%.

Funds are not available in areas that receive funds directly from HUD and are excluded from the State HOME funds. These are the cities of Milwaukee, Madison, Racine, Green Bay, Kenosha, La Crosse and Eau Claire as well as the counties of Dane, Rock, Milwaukee, Waukesha, Ozaukee, Jefferson and Washington.

The HOME Program guidelines and restrictions stipulated by HUD regulations includes: (a) maximum income levels of residents of assisted units, compliance affordability period, property and rent/utility payment standards; and (b) 20% of the HOME assisted units in a project must benefit households at or below 50% of CMI. The remaining 80% of the units must be occupied by households whose annual incomes to not exceed 60% of the CMI at the time of initial occupancy.

In addition, DHCD guidelines require: (a) all CHDO projects involving units set-aside for persons under 30% CMI, shall have the rent limit fixed at 50% of the HUD HOME HIGH Rent limit; and (b) all LIHTC projects require 40% of the project units to be at 50% CMI.

The amount of RHD funds cannot exceed 80% of the total project costs. Other federal funds used in proposed projects are subject to excessive federal layering provisions. It will be necessary to obtain qualifying match resources of 25% of HOME dollars awarded. Eligible match cannot include owner equity or be provided from a federal source.

To obtain RHD funds an applicant must submit an application to the Department of Commerce according to an established format. (See the website for Application and Program Guide). Applications may be reviewed on basis of, but not limited to, category preferences, types of project(s), need, geographic area, capacity of the applicant, development team, project management, and compliance with HOME regulations. The reasonableness that the project will be completed and sustained through the period of affordability will also be considered.

Submission of completed applications for the RHD HOME funds will be accepted the first day of the months of June, September and December.

For further information, contact:

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